

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 IO-13 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15
ICA-11 ACDA-12 EB-08 COME-00 TRSE-00 FAA-00
DOTE-00 /099 W

-----043256 261008Z /16

R 260852Z JUN 78
FM USMISSION USBERLIN
TO SECSTATE WASHDC 7123
INFO AMEMBASSY BERLIN
AMEMBASSY BONN
USMISSION USNATO

LIMITED OFFICIAL USE SECTION 1 OF2 USBERLIN 1513

E.O.11652: NA
TAGS: EGEN, EINV, GW, WB
SUBJECT: BERLIN COMMISSION ENDORSES PROGRAM TO AID BERLIN
VIABILITY

SUMMARY: THE MULTI-PARTY BERLIN PRESIDENTIAL
COMMISSION ISSUED JUNE 20 A DECLARATION OUTLINING
UNDERLYING PRINCIPLES AND A PROPOSED PROGRAM FOR LONG-
RANGE PROMOTION OF BERLIN, WHICH THEY CALLED A
"NATIONAL TASK." SPECIFIC PROPOSALS DID NOT INCLUDE
THE CONTROVERSIAL INCREASE IN FLIGHT SUBSIDIES, WHICH
WAS REFERRED FOR FURTHER STUDY. END SUMMARY.

1. THE PRINCIPLES OUTLINED BY THE COMMISSION STRESSED
THAT THE BERLIN ISSUE IS INSEPARABLE FROM THE ISSUE
OF A DIVIDED GERMANY. THE COMMISSION EMPHASIZED
THAT THE SOLIDARITY OF THE GERMAN PEOPLE, THE RESPONSIBILITY
OF THE THREE WESTERN POWERS, THE OBLIGATIONS OF THE FEDERAL
GOVERNMENT TOWARD WEST BERLIN AS WELL AS PEACEFUL COOPERATION
BETWEEN EAST AND WEST WERE THE FOUNDATIONS FOR THE FUTURE
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OF THE CITY AND ITS PEOPLE. THE COMMISSION INTENDS
TO MAINTAIN AND STRENGTHEN THE CONNECTION BETWEEN
EAST AND WEST BERLIN. AND TO EXPAND THE ECONOMIC
CULTURAL AND INTELLECTUAL ATTRACTIONS OF THE CITY.

2. THE MOPROPOSALS DEAL WITH MEASURES TO STRENGTHEN THE ECONOMY.
THESE INCLUDE A PROPOSAL FOR A STAGED REDUCTION OF THE

TRADE TAX BEGINNING IN 1980. THE PROMOTION LAW IS TO BE BROADENED TO EXTEND INVESTMENT GRANTS TO BERLIN-BASED SERVICE INDUSTRIES ENGAGED IN REGIONAL ACTIVITIES SUCH AS DTAT PROCESSING.

3. MUCH EMPHASIS IS PLACED ON STRENGTHENING THE RESEARCH AND DEVELOPMENT SECTOR OF THE CITY WITH SEVERAL MEASURES DESIGNED TO INTRODUCE NEW AND IMPROVED TECHNOLOGY INTO SMALL- AND MEDIUM- SIZED INDUSTRIES. THE COMMISSION CALLED FOR ESTABLISHMENT OF A TECHNOLOGY TRANSFER CENTER TO DISSEMINATE NEW TECHNOLOGICAL INFORMATION, ESPECIALLY ON MICRO-ELECTRONICS AND PHYSICS. THE RESEARCH CAPACITY OF THE CITY WILL BE EXPANDED, ESPECIALLY THAT DIRECTED TO DEVELOPING TECHNOLOGY WITH WIDE APPLICATION, SUCH AS AUTOMATIC PROCESSING, HANDLING AND ASSEMBLY SYSTEMS. RISK FINANCING WILL BE AVAILABLE TO FUND RESEARCH THAT PROMISES USEFUL INNOVATION. OTHER R&D PROGRAMS ARE INTENDED TO PROMOTE COMMUNICATIONS RESEARCH.

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ICA-11 ACDA-12 EB-08 COME-00 TRSE-00 FAA-00
DOTE-00 /099 W

-----043354 261007Z /16

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4. BENEFITS FOR BERLIN CITIZENS THAT COMPENSATE FOR THE CITY'S LOCATIONAL DISADVANTAGES ARE TO BE EXPANDED IN ORDER TO ATTRACT AND HOLD NEEDED WORKERS. THE WAGE SUPPLEMENT IS TO BE REVIEWED AND ADJUSTED ANNUALLY TO MAINTAIN A BERLIN ADVANTAGE, AND OTHER LAENDER ARE ASKED TO AVOID OFFERING BENEFITS THAT DETRACT FROM BERLIN'S. IN ADDITION, THE CHILD GRANT WILL BE

RAISED AS OF 1980 TO DM 50 PER CHILD PER MONTH,
AND 500 APARTMENTS WILL BE BUILT IN THE DESIRABLE
TIERGARTEN AREA WITH FEDERAL GOVERNMENT SUPPORT TO
HOUSE SKILLED CRAFTSMEN AND THEIR FAMILIES.

5. THE COMMISSION ALSO URGED THAT BERLIN'S REPUTATION
AS A CULTURAL CITY BE UTILIZED AND ENHANCED AND
PROPOSED PROMOTION OF INTERNATIONAL ART EXHIBITS,
MUSEUMS, CHILDREN'S FILMS, AND A GREATER PARTICIPATION
BY BERLIN IN INTERNATIONAL CULTURAL EXCHANGES.

6. IN THEIR DECLARATION THE COMMISSION STRESSED THAT STRICT
ADHERENCE TO, AND FULL IMPLEMENTATION OF THE QUADRIPARTITE
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AGREEMENT SAFEGUARDED BERLIN'S PROSPEROUS DEVELOPMENT.
THE COMMISSION NOTED THAT AS AN IMPORTANT EUROPEAN
METROPOLIS, THE CITY PLAYED A SIGNIFICANT ROLE IN
IMPROVING EAST-WEST RELATIONS AND MAINTAINING PEACE IN
EUROPE. TRUST IN BERLIN'S SECURITY AND FUTURE WAS THE
MOST IMPORTANT PREREQUISITE FOR ATTRACTING PRIVATE
INVESTMENT. THE COMMISSION HOPED THIS TRUST WOULD BE
STRENGTHENED BY ITS PROPOSALS.

7. COMMENT: IN SPITE OF WIDELY REPORTED RESERVATIONS ON
THE PART OF CHANCELLOR SCHMIDT AND MAYOR STOBBE THE COMMISSION'S
COMMUNIQUE HAS BEEN GREETED WITH A STRONG SHOWING OF
UNANIMITY WHICH SHOULD ENABLE THE LAWMAKING BODIES TO
CONVERT THE PROPOSALS INTO LAW. PRESUMABLY, LAST MINUTE DROPPING
OF THE CONTROVERSIAL PROPOSAL TO INCREASE AIR TRAFFIC SUBSIDIES
CONTRIBUTED TO CHANCELLOR SCHMIDT'S AND MINISTER OF FINANCE
MATTHOEFER'S ENDORSEMENT OF THE DECLARATION. THE PROPOSED
INCREASED AIR SUBSIDIES WERE SHELVED FOR FURTHER STUDY.
PRIVATELY, BERLIN FDP MAYOR LUEDER HAD TOLD THE
MISSION HE CONSIDERED THAT PROPOSAL THE SECOND MOST IMPORTANT
ONE FOLLOWING ABOLITION OF THE TRADE TAX. THE CHAMBER OF INDUSTRY
AND COMMERCE FOR THEIR PART ALSO RATED ABOLITION OF THE TRADE
TAX AS MOST IMPORTANT AND WERE PLEASED THAT SUGGESTION FOR THE
SPECIAL TIERGARTEN HOUSING PROJECT HAD FOUND A
POSITIVE RESPONSE ON ALL SIDES. IN SPITE OF COMMISSION'S
DECLARATION FURTHER CHANGES IN THE SPECIFICS OF THE PROGRAM
ARE POSSIBLE BEFORE THE PROGRAM FINISHES ITS LEGISLATIVE
JOURNEY. DAVIS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC DEVELOPMENT, COMMISSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978USBERL01513
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780264-0536
Format: TEL
From: USBERLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780618/aaaaapuk.tel
Line Count: 163
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d534667f-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 31 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2201376
Secure: OPEN
Status: NATIVE
Subject: BERLIN COMMISSION ENDORSES PROGRAM TO AID BERLIN VIABILITY SUMMARY: THE MULTI-PARTY BERLIN PRESIDENTIAL
TAGS: EGEN, EINV, GE, WB
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d534667f-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014